



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

## THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

FEB 13 2002

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (ACQUISITION,  
LOGISTICS AND TECHNOLOGY)  
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,  
DEVELOPMENT, & ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE  
(ACQUISITION)

SUBJECT: Performance Based Logistics

In September 2001, the Quadrennial Defense Review (QDR) mandated implementation of performance-based logistics (PBL) and modern business systems with appropriate metrics to compress the supply chain, eliminate non-value-added steps, and improve readiness for major weapons systems and commodities. PBL delineates outcome performance goals of weapon systems, ensures that responsibilities are assigned, provides incentives for attaining these goals and facilitates the overall life cycle management of system reliability, supportability, and total ownership costs.

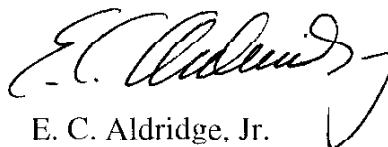
DoD 5000.2-R requires the Program Manager, in coordination with Military Service logistics commands, to include planning for full life-cycle product support management as part of the support strategy documented in the acquisition strategy. As a minimum, product support management planning shall address: integrated supply chains segmented support by system or subsystems; maintaining a relationship with the warfighter based on system readiness; selection of best-value, long-term product support providers and integrators based on competition; measuring support performance based on high-level metrics such as mission capable (MC) rates; improved product affordability and system reliability; and a dedicated investment in technology refreshment.

The FY 2003-07 Defense Planning Guidance (FY03 DPG) requires that each Military Department submit a plan that identifies its implementation schedule for applying PBL to all new weapon systems and all Acquisition Category I and II fielded systems. Service PBL schedules should reflect an objective to aggressively pursue program implementation end dates tailored, program-by-program, to complete at the earliest feasible date. Service plans for PBL implementation should be prepared in accordance with Attachment 1 and submitted to this office by May 1, 2002.



Program-specific PBL implementation planning and progress, per your submitted schedule, will be reviewed and monitored by this office as developed. Guidance for development of PBL strategies and implementation of DoD 5000 Product Support Policy is currently available in our Product Support Guide, "Product Support – A Program Manager's Guide to Buying Performance", available on the Logistics Plans and Programs web site at [http://www.acq.osd.mil/log/new\\_lpp/ps/prod\\_suprt.htm](http://www.acq.osd.mil/log/new_lpp/ps/prod_suprt.htm). Additional plan format guidance is provided as Attachment 2.

My focal point for this effort is Mr. Lou Kratz, ADUSD (Logistics Plans and Programs), at 703-614-6082 or via e-mail at [Louis.Kratz@osd.mil](mailto:Louis.Kratz@osd.mil).



E. C. Aldridge, Jr.

Attachments

As stated

cc:

Deputy Chief of Staff, Army (Logistics)

Deputy Chief of Naval Operations (Fleet Readiness & Logistics)

Deputy Chief of Staff, Air Force (Installations & Logistics)

Deputy Chief of Staff, Marine Corps (Installations & Logistics)

Director for Logistics, J4

Director, Defense Logistics Agency